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SUBJECT: NIGERIA: ECONOMIC ROUNDUP FEBRUARY 20

[¶1.](#) This periodic economic report from Abuja and Lagos includes:

--Canned Beer and Soda Coming Soon to Nigeria
--Nigeria's Juice Ban Squeezes Out U.S. Exports
--Trucks Roll Only at Night in Port Harcourt

Canned Beer and Soda Coming Soon to Nigeria

[¶2.](#) The U.S. Trade and Development Agency (USTDA) and Brewtech Nigeria signed a \$251,000 grant agreement January 23 in Abuja to fund a feasibility study on the construction of an aluminum can manufacturing facility in Lagos State. Roeslein and Associates, in conjunction with Ball Packaging, will conduct the study. The USTDA grant will partially fund the cost of the study, with Roeslein and Associates providing an additional \$166,320 to complete the total project. This early planning assistance will provide a full assessment of the current economic, financial, and environmental conditions for the construction of a can production line in Nigeria.

[¶3.](#) Currently, Nigeria imports cans from South Africa. However, South Africa is reaching its capacity and has been unable to supply a sufficient amount of cans to the Nigerian fillers, including Coca-Cola, Vita-Malt and Nigerian Breweries. When fully implemented, the project could lead to hundreds of new jobs in can manufacturing, filling processes, and logistics management. In addition, it could stimulate exports of \$32 million in U.S. goods and services.

Nigeria's Juice Ban Squeezes Out U.S. Exports

[¶4.](#) Information Minister Jerry Gana announced on January 29 that Nigeria's Federal Cabinet had banned the import of fruit juices in retail packs effective immediately. Gana continued, "Juices to be imported into the country must be in drums and must be processed in the country to generate income and employment. Packaged fruit juices imported into the country will be destroyed at the point of entry unless the consignment is in drums." Industry sources indicate that the ban is to protect local production and a few importers of juice concentrates.

[¶5.](#) Nigeria's overall import figures are not readily available; however, import demand increased markedly over the past four years. The ban has cut off growing U.S. exports of fruit juices to Nigeria which reached a record level of \$304,000 (U.S. trade data) last fiscal year.

Trucks Roll Only at Night in Port Harcourt

[¶6.](#) A new Rivers State law restricts the movement of trucks to night hours. Effective February 1, 2003, Heavy Goods Vehicles (HGV), including all trucks and trucks with trailers, are allowed on the state's roadways only between 2100 and 0600. The measure is aimed at easing congestion, reducing accidents and, according to the government circular, to "bring back sanity to our roads and streets." One major shipping company reports that police are stopping and arresting drivers of trucks traveling in daylight hours.

[¶7.](#) This concept is not new to Nigeria; under the Buhari regime, truck traffic in and around Lagos was restricted to the hours of midnight to 0600 with some success, but the policy was abandoned when Ibrahim Babangida came to power in 1985. A source in the shipping industry believes the restriction will be loosened and companies will be able to obtain decals allowing them to drive trucks during daylight hours upon the payment of special fees.

[¶8.](#) Comment: The Port Harcourt area of Rivers State has long suffered acute road congestion, particularly at Eleme or

"Refinery" Junction. Many of Nigeria's interstate roads, particularly in the south, have become dilapidated and in some areas nearly impassable, leading to ever-increasing traffic congestion and vehicular accidents. Large trucks ply the roads of Rivers State with loads picked up from the docks of Port Harcourt as well as petroleum products. On the highway leading out of Port Harcourt northeastward, tanker trucks park along both sides of the road for miles near the entrance to the government-run oil refinery, while others move in and out of traffic slowly and erratically. In many places roadways are reduced to rutted, water-filled single lanes, sometimes haphazardly repaired by local boys with shovels who ask passing motorists for money. It is common to see large trucks tipped over, their cargo strewn along the roadways.

19. Comment Continued: Forcing trucks to travel only at night may help ease congestion in Rivers State, but it also forces shippers, transport firms and other companies to adjust their business practices. For example, Panalpina World Transport now makes deliveries in Rivers State only at night. Further, given the state of the roadways in the south, truck passage may become more hazardous with less visibility and the increased risk of highway robbery at night.

10. Comment Continued: It is unclear what effect forcing trucks to travel at night will have on economic conditions overall in Rivers State or to what extent the policy will affect commerce between Port Harcourt and the rest of Nigeria. We expect exemptions or daylight permits to be offered for special fees. But if successful, we may see calls for similar measures in traffic-choked cities such as Lagos and Ibadan. End Comment.

JETER